

## Ottawa County

### Estimated Economic Impact of Agriculture, Food, and Food Processing Sectors

5/24/2016

Using the most recent IMPLAN data available (2014) adjusted for 2016, 14 agriculture, food, and food processing sectors were analyzed to determine their overall contribution to the Ottawa County economy.<sup>1</sup>

These 14 sectors have a total direct output of approximately **\$113.7 million** and support **539.9 jobs** in Ottawa County. Running the model for all 14 sectors simultaneously produces the following results:

Agriculture, Food, and Food Processing Sector Contribution to Overall Ottawa County Economy						
Impact Type <sup>2</sup>	Employment	% Employment	Total Value Added <sup>3</sup>	Total Value Added % of Gross Regional Product <sup>4</sup>	Output <sup>5</sup>	Output % of Gross Regional Product
Direct Effect	539.9	20.56%	\$53,851,246.59	35.41%	\$113,674,384.66	74.75%
Indirect Effect	57.6	2.19%	\$2,944,972.18	1.94%	\$5,073,769.65	3.34%
Induced Effect	56.3	2.14%	\$3,835,505.45	2.52%	\$7,031,706.47	4.62%
<b>Total Effect</b>	<b>653.7</b>	<b>24.90%</b>	<b>\$60,631,724.22</b>	<b>39.87%</b>	<b>\$125,779,860.78</b>	<b>82.71%</b>

As shown in the above table, agriculture, food, and food processing sectors support **653.7 jobs**, or **24.9%** of the entire workforce in the county. These sectors provide a total economic contribution of approximately **\$125.8 million**, roughly **82.71% of the economy**.

Another metric used to calculate the importance of sectors in an economy is their value added as a percentage of GRP. Total value added by the 14 agriculture, food, and food processing sectors is approximately **\$60.6 million**, or **39.87% of the GRP**. This indicates that personal income, business income, and taxes generated by these sectors account for **39.87% of the total economy**.

The following tables document the overall summary numbers of the model, top industries affected by employment and output, and a listing of all industries that were analyzed.

1 Article on building a contribution analysis in IMPLAN that avoids double counting:

[http://www.implan.com/index.php?option=com\\_content&view=article&id=660%3A660&catid=253%3AKB33&Itemid=70](http://www.implan.com/index.php?option=com_content&view=article&id=660%3A660&catid=253%3AKB33&Itemid=70)

2 Direct, indirect, and induced effects sum together to estimate the total economic contribution in the state. **Direct effects** capture the contribution from agricultural and food products. **Indirect effects** capture the economic benefit from farms and agricultural businesses purchasing inputs from supporting industries within the state. **Induced effects** capture the benefits created when employees of farms, agricultural businesses, and the supporting industries spend their wages on goods and services within the state.

3 Value added = labor income + indirect business taxes + other property type income.

4 GRP = final demand of households + governments expenditures + capital + exports - imports - institutional sales.

5 Output = intermediate inputs + value added.

In the top ten agriculture, food, and food processing sectors by employment, the beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming sector is the top employer with **406.9 employees**. This table also shows the amount of jobs that are created by the agriculture industry in Ottawa County.

Top Ten Sectors by Employment		
Sector	Total Employment	Total Output
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	406.9	\$61,382,457.60
Grain farming	56.3	\$27,665,081.99
All other crop farming	43.3	\$4,505,000.75
Support activities for agriculture and forestry	32.7	\$2,019,141.11
Oilseed farming	10.7	\$16,547,125.44
Hospitals	9.5	\$1,108,671.95
Monetary authorities and depository credit intermediation	8.0	\$1,266,355.29
Animal production, except cattle and poultry and eggs	7.5	\$1,086,832.04
Nursing and community care facilities	5.5	\$263,439.30
Accounting, tax preparation, bookkeeping, and payroll services	4.4	\$132,480.74

The beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming sector directly contributes approximately **\$61.4 million** to the Ottawa County economy. The table below also shows the amount of revenue that is generated in other industries by having a strong agriculture industry.

Top Ten Sectors by Output		
Sector	Total Employment	Total Output
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	406.9	\$61,382,457.60
Grain farming	56.3	\$27,665,081.99
Oilseed farming	10.7	\$16,547,125.44
All other crop farming	43.3	\$4,505,000.75
Owner-occupied dwellings	0.0	\$2,643,063.78
Support activities for agriculture and forestry	32.7	\$2,019,141.11
Monetary authorities and depository credit intermediation	8.0	\$1,266,355.29
Hospitals	9.5	\$1,108,671.95
Animal production, except cattle and poultry and eggs	7.5	\$1,086,832.04
Sawmills	3.7	\$992,574.04

Below is a summary of all agriculture data with employment levels and output level. These values can tell how many jobs are represented by each agriculture, food, and food processing sector and the output they contributed to the Ottawa County economy.

<b>All Agriculture, Food, and Food Processing Sectors</b>		
<b>Sector</b>	<b>Total Employment</b>	<b>Total Output</b>
Oilseed farming	10.7	\$16,547,125.44
Grain farming	56.3	\$27,665,081.99
Vegetable and melon farming	0.1	\$27,386.94
Fruit farming	0.8	\$93,404.41
Tree nut farming	0.1	\$48,010.44
Greenhouse, nursery, and floriculture production	3.0	\$588,167.87
All other crop farming	43.3	\$4,505,000.75
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	406.9	\$61,382,457.60
Poultry and egg production	0.2	\$178,337.75
Animal production, except cattle and poultry and eggs	7.5	\$1,086,832.04
Bread and bakery product, except frozen, manufacturing	1.3	\$253,280.45
Sawmills	3.7	\$992,574.04
Veterinary services	2.8	\$169,404.38
Landscape and horticultural services	3.2	\$137,320.56

All 105 counties in Kansas have an IMPLAN model and an agriculture, food, and food processing contribution summary. These values do not factor in the retail environment of food sales. Food retail is important, but in order to provide the most accurate picture of what production agricultural and processing contributes to Ottawa County, the retail sector was omitted.